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JUL -6 2007

Mr. Daniel G. Ostroff
Sr. Regulatory Analyst
11111 Sunset Hills Rd
Reston, Virginia 20190

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RE: STAFF'S LETTER OF INSUFFICIENCY AND FIRST SET OF DATA REQUESTS
TO XO COMMUNICATIONS SERVICES, INC. DOCKET NO. T-04302A-07-0394

Dear Mr. Ostroff:

On June 29, 2007, XO Communications Services, Inc ("XO"), filed an application to add language related to the charge assessed for payments of service from accounts with insufficient funds or from non-existing accounts in the State of Arizona. The application is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please consider this as Staff's first set of data requests to XO in the above-referenced matter.

For the purpose of this data request set, the words "XO", the "Company", "you", and "your" refer to XO Communications Services, Inc. and any representative, including every person and/or entity acting with, under the control of, or on behalf of XO Communications Services, Inc. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided. These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please provide Docket Control with the information being requested within 10 days of the date of this letter. Please mail an original plus 13 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, Arizona 85007. If no response is received or all deficiencies are not remedied within 30 days, Staff will recommend that the application be terminated pursuant to A.A.C. R14-2-1103(B)3 and A.A.C. R14-2-510(E)3. If the application is terminated, the Applicant cannot discontinue the telecommunication services it is authorized to provide in the state of Arizona, until such time as a new application is filed with and approved by the Commission.

Mr. Daniel G. Ostroff
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If you have any questions, please contact me at (602) 542-0821. Thank you for your prompt response to this request.

Respectfully,

A handwritten signature in black ink that reads "Melvin de la Cruz". The signature is written in a cursive style with a large, stylized 'M' and a long, sweeping underline.

Melvin de la Cruz
Public Utilities Analyst IV
Utilities Division

MD:tdp

Enclosure(s)

cc: Docket Control Center

**STAFF'S FIRST SET OF DATA REQUESTS FOR
XO COMMUNICATIONS SERVICES, INC.
DOCKET NO. T-04302A-07-0394**

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

1. Please provide the reason(s) for the proposed increase in the charge assessed for insufficient funds or from non-existing accounts.
2. Please be advised that there is no maximum filed in Tariff no. 6. Please explain if the expected effect of this filing on the Company's Arizona revenues is less than 1 percent, from 1 to 5 percent, etc.
3. Is the amount of your proposed increase consistent with what other Telecommunications providers are currently charging for insufficient funds or non-existing accounts?
4. Is there a cost based justification for the rate increase (i.e., is the rate increase necessary to account for a change in your costs)? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification.
5. An affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the service.
6. Please provide a copy of the customer notification sent, if applicable, and indicate the date the notice was sent. If no notice was sent please explain why.